

Date: July 22, 2014

To: Thomas J. Bonfield, City Manager
Through: Wanda S. Page, Deputy City Manager
From: Kerry Goode, CIO/Director of Technology Solutions
Subject: Contract with Time Warner Cable Business Class to Provide Metropolitan Area Network Services to the City of Durham

Executive Summary

The City of Durham had contracted with Time Warner Cable Business Class to provide high-speed, reliable, network connectivity to large City facilities utilizing fiber optic services and a lower speed connection using cable modem services referred to by Time Warner Business Class as High Speed Data (HSD) to the smaller locations. The fiber optic and HSD connections are necessary to accommodate the City's requirements for communications (phone and email); enterprise-wide systems such as MUNIS, OnBase, Internet, Fire Reporting, the Open Software Solutions Inc. (OSSI); and Parks and Recreation computer labs.

Technology Solutions issued a Request for Proposal (RFP); Time Warner Cable Business Class provided the lowest cost responsive proposal. The new proposed contract with Time Warner Cable Business Class will enable the City to keep the current fiber and HSD service connections at all City locations for a three-year contract period. During negotiation with Time Warner Cable Business Class, the Technology Solutions Department discussed the potential savings in renewing these services. The total number of sites renegotiated was 74. The amount of savings is approximately \$363,228.12 based on the renegotiated amounts for the life of the contract. The new contract will also allow the City to upgrade any of the existing 74 site connections at no additional cost other than paying the monthly charge for the increase in bandwidth at the new reduced rates. The City will also be able to add new sites at this new reduced rate.

Recommendation

The Administration recommends that the City Council authorize the City Manager to execute an Optical Access Service Contract with Time Warner Cable Business Class in the amount of \$807,606 for the term of three years (reduced cost when compared to the previous three year contract of \$1,170,834.12).

Background

The City issued the original RFP in late 2005 to upgrade the City's WAN in anticipation of the new high bandwidth applications such as Enterprise Resource Planning, Land

Development Ordinance, Open Software Solutions Inc., and the coexistence of voice and data communications. Time Warner Cable Business Class was selected as the preferred vendor based upon both performance and cost. The City began the upgrade of WAN connections in February 2006.

The original contract included services for all Police and Fire Stations, the Public Works Operations Center, and Williams Water Treatment Plant. As the need arose and as funds became available, the City entered into additional contracts for the same Time Warner Cable Business Class service at new Police and Fire Stations and at the City's service locations including Fleet Management, Solid Waste Management, Golden Belt, Venable Center, and Water Management. Now the original service contracts are expiring and it is time to renew. Because of the initial investment to install fiber or HSD service at each City location, the TWC provided the lowest responsive proposal. The City issued a new RFP in April 2014; to receive proposals to maintain the existing network connections and to explore possible cost savings.

Issues/Analysis

The previous Time Warner Business Class contract was in place for a three year term. The City has selected Time Warner Business Class as the preferred vendor to provide network connectivity to City facilities for another three year period. The City will not incur new infrastructure costs for upgrading any existing connections to higher speeds and will have reduced charges for connectivity per location.

Technology Solutions received five responses to the Request for Proposal for Metropolitan Area Network services for the City of Durham. Below are the service providers that responded and were evaluated by the selection team:

1. TW Telecom
2. Network Services
3. Time Warner Cable
4. USIPCOM
5. Frontier

Based on Technology Solutions analysis, all proposals had upfront construction costs except Network Services and Time Warner Cable. The construction cost eliminated Frontier, USIPCOM and TW Telecom from further consideration. Time Warner Cable total cost was more than 3x less than all other proposals. Time Warner Cable's monthly recurring cost was more than 3x lower than Network Services cost.

The contract with Time Warner has language in it that will allow the City to partially or completely terminate the contract by giving Time Warner a 60 day written notice. This ability to terminate will allow the City to take advantage of other opportunities to improve the City's Metropolitan Area Network if they arise with other service providers.

It would be in the City's best interest to renew the Time Warner Cable Business Class contract for network services and proceed with exploring other options of installing a citywide network system during the next three years.

Alternatives

The City can continue to use the month-to-month option in the current contracts for network services. This alternative could be more expensive which may allow Time Warner to raise the cost of service and this option is not recommended.

Financial Impact

The cost of the proposed Time Warner service contract over the next three years for the current facilities is \$807,606.00 excluding Federal Communications Commission Franchise, and Federal Universal Service Fund fees. In the previous 3 year contract, the City of Durham paid approximately \$1,170,834.12 to Time Warner for network connectivity. This contract will be paid by the following departments:

Departments	Org/Object	Yearly Amount
Technology Solutions	0N010000-722100	\$102,426.00
Durham Emergency Communications Center	08000000-722100	\$119,328.00
Parks and Recreation	0H050000-723410	\$7,800.00
General Services	0C000000-728800	\$1,188.00
Water Management	5100P600-722105	\$7,500.00
Water Management	5100P121-722105	\$5,100.00
Water Management	5100P000-722105	\$7,500.00
Water Management	5100P501-722105	\$5,880.00
Water Management	5100P502-722105	\$5,880.00
Water Management	5100P122-722105	\$5,100.00
DATA	0U020400-728600	\$1,500.00

SDBE Summary

The Equal Opportunity/Equity Department reviewed the bid submitted by **Time Warner Cable Business Class Triangle Business Unit** and has determined that they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting.

SDBE Requirements

There were no SDBEs to provide this service

Workforce Statistics

The workforce statistics for Time Warner Cable Business Class of Morrisville, NC are as follows:

Total Workforce	1,833	100%
Total Females	713	39%
Total Males	1,120	61%
Black Males	460	25%
White Males	550	30%
Other Males	110	6%
Black Females	478	26%
White Females	177	10%
Other Females	58	3%

Attachments: Time Warner Service Contract